PREPARING YOUR CONSUMER CONFIDENCE REPORT: WHAT EVERY UTILITY SHOULD KNOW

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Abstract. Consumer Confidence Reports (CCRs) are water quality reports that, in accordance with new federal regulations, must be completed by drinking water utilities every year beginning in October 1999. While this new requirement is feared and despised by some utilities, it presents an opportunity to communicate and build relationships with utility customers. Studies indicate that utilities that communicate with their customers frequently and openly are perceived by customers to be better public health and welfare protectors, even when they have non-compliance issues. This paper will describe the requirements for CCRs, the components of the reports, and utilities' options for customizing the reports to meet their customers' needs and optimize this relationship-building opportunity.

INTRODUCTION

Beginning in October 1999, when new federal regulations go into effect, every public water supplier in America will have to report to their customers and the general public on the quality of the drinking water they produce. This new regulation has drawn mixed reviews from utility managers and operators, and some are anxious and fearful of encouraging the average customer to consider what comes out of the tap.

The most common response mode for utility managers is to avoid addressing the issue with the public and present the information in a technical manner, not in terms the public is familiar with. The fact is, this new requirement is creating an opportunity for communication, education, and advocacy that can aid the utility in dealing with issues of public interest, including future noncompliance incidents or even rate increases.

What will utility managers need to know to seize this opportunity and make the most of it?

BACKGROUND

For decades, most Americans took for granted that when they turned on the tap, pure water would flow out. The drinking water industry enjoyed being quiet and virtually invisible. But the past thirty years or so have thrust the drinking water industry into the public eye, beginning with the passage of the Safe Drinking Water Act (SDWA) in 1974. Since then environmental activists, public health advocates, utilities and politicians have wrestled with the issue of how safe the water we drink is and how much the average person should know about what comes out of the tap.

This broad interest was instrumental in the 1996 reauthorization of the SDWA, which included requirements for all public drinking water suppliers to produce and publish annual reports on the quality of their drinking water. The final regulation outlining the requirements of the CCRs was published in the federal register in August 1998 (40 CFR Parts 141 and 142). Utilities must publish their first reports by October 19, 1999, and then annually thereafter by July 1st of each year.

REQUIRED COMPONENTS OF CCRs

CCRs are a federal requirement. As such, their basic content has been outlined in the SDWA. The following is a summary of the minimum required components of a CCR:

Information on source water. All CCRs must list the type of source water, whether it comes from rivers, lakes or groundwater, and identify the source by name (e.g. Lake Lanier, Chattahoochee River). While not required, a map showing the location of the source and the intake can help foster awareness of how activities might affect the drinking water source. If any Water Quality Assessments for the source exist, they should be referenced.

Terms and contaminants. A brief glossary should include all acronyms and technical terms used in the CCR. Only two terms are required to be defined: maximum contaminant level goal and maximum contaminant level (MCL). However, most lay people are unfamiliar with common drinking water industry terms. Including simple, easy to understand definitions can help consumers understand the report.

In addition to a glossary, a table of contaminants must be included. The purpose of the table is to give consumers an idea of the contaminants they may have been exposed to during the year. All contaminants required to be monitored under the National Primary Drinking Water Regulation (NPDWR) must be included in the table (with the exception of nondetected contaminants and voluntary detects). These include regulated contaminants; unregulated contaminants for which monitoring is required but no limit, level or treatment has been set; and disinfection byproducts and microbial contaminants for which monitoring is required by the Information Collection Rule.

Report of Contaminants at Highest Concentrations Detected. Contaminants detected in finished water during the year should be reported at the highest concentration detected. Likely sources for the contaminant should also be included. If the source is not certain, the report should include the typical sources of such a contaminant. To assist the utility and avoid legal ramifications, the U.S. Environmental Protection Agency (EPA) has provided specific language about typical sources in the applicable regulations.

Comparison of the Maximum Detected Concentration with the Maximum Concentration Level. This requirement helps consumers understand the implications of a detected contaminant. Not all detected contaminants will be at levels equal to or exceeding the MCL goal. To help consumers understand the relationship between these two measures, one suggestion is to present the information in a chart coupled with descriptive text.

Violations. Any concentration that exceeds regulated standards during the year must be reported along with a description of health effects attributed to that contaminant. The EPA has also provided in the regulations specific language on health effects that should be used verbatim. If a violation has occurred, the reporting agency should briefly describe why it occurred, the length of the violation, and what was done about the contamination. The focus of any discussion of a violation should be on the utility's commitment to protecting public health.

Boilerplate. CCRs are required to include specific standardized phrases. These phrases should be included verbatim unless regulations allow the supplier to tailor them for special circumstances. Boilerplate text deals with contaminants reasonably expected to be found, contaminants not necessarily a health risk, vulnerable populations language, telephone number and address of utility contact, EPA's Safe Drinking Water Hotline, information for non-English speaking consumers, and opportunities for public participation.

BUILDING YOUR OWN CCR

In addition to the required components of the CRR, there are also requirements for reporting and compliance. These additional requirements, as well as some resources that are available to help utilities meet them, are outlined below:

Tools. The American Water Works Association (AWWA) has created an internet-based software service called "CCRbuilder.com." This program walks utilities through the creation of a basic CCR and is inexpensive to use. In addition, EPA has created "CCRWriter," a template and guidance manual. Many cities and utilities have already voluntarily begun reporting on the quality of their drinking water. These include Tampa, Denver, Cal Water and Portland.

Reporting requirements. The SDWA requires that water suppliers distribute one copy of the report to each one of its customers. Suppliers are also required to make a "good faith effort" to reach customers who do not receive water bills, such as residents or tenants of multi-family or commercial buildings. Reports are also to be made available upon request. Other options for sharing the report with the public include posting copies at libraries and on the internet.

Exemptions. Not all water systems are required to meet all the reporting requirements. Water systems that serve fewer than 10,000 persons can receive an exemption from their governor and publish the report in one or more newspapers. Systems that serve fewer than 500 persons do not need to publish the reports in the newspaper, but must either mail, deliver or post notices of availability.

Compliance and enforcement. In order to demonstrate compliance, suppliers must mail a copy of the CCR to the State along with a certification that the report was distributed to customers and that the information in the report is correct and consistent with compliance monitoring data previously submitted. In addition, each system must mail a copy of the CCR to any agency in the State with jurisdiction over community water systems (Public Utility Commission or public health agencies), State consumer advocate offices and other information clearinghouses identified by the Drinking Water Program Director. If there is a question about a utility's compliance, a complaint can be filed with the EPA or the State Drinking Water Administrator. In the event that a system does not comply with the regulation, the primacy agency will take action against the system to enforce compliance.

RECOMMENDATIONS

CCRs should be considered a communication tool, not a technical exercise. While there are many required components of the report, how those requirements are met and what additional information is included can turn a list of parameters into an effective relationship building tool.

Incorporate CCRs into an overall communications strategy. AWWA recently completed focus group research on CCRs. An interesting finding of that research was that consumers tend to have more confidence in utilities that communicate with them regularly. The results indicated that confidence in a utility that communicated with its customers on a regular basis was higher *even after a water quality incident* than a utility that never communicated with its customers and *never* had water quality problems. CCRs should be one element of a more comprehensive communications strategy. This strategy should include elements like informational materials, citizens' advisory groups, speakers' bureaus, and media relations. The benefits of this approach include better positioning for rate increases and increased support in the event of contamination.

Publicize report in advance. This report may take consumers by surprise. Suddenly being confronted with terms like arsenic and radon in association with drinking water could cause anyone to feel anxious. The best defense is a good offense. Several weeks before the publication of the report, issue a press release about the CCR, provide public service announcements to local radio and television stations, and put media representatives in touch with informative, quotable spokespeople. Also, be sure to provide training on the CCR to customer service representatives and any other "front-line" staff who deal with the public regularly. Make sure all advance publicity and training focuses on the utility's commitment to safe drinking water.

Research your customers. Understanding who your customers are and what they want to know is key to a successful CCR. AWWA's research indicated that there are generally two distinct groups of consumers: those who just want to know their water is safe to drink, and those who want detailed information. Using surveys or focus groups, determine how much and what kind of additional information your customers want. This will help you plan your budget and focus the messages in the report.

Solicit customer feedback. How will you know if your report was understood? You can rely on calls to customer service, but they are rarely representative of the majority response. Form a committee of diverse customers to review the CCR and make recommendations. Follow their advice and repeat the process every few years to ensure that your report is reaching its audience.

Use communicators to communicate. The CCR is a communication and education tool, not a technical document. While the data featured in the report is generated or gathered by technical experts, it is intended to be reviewed *and understood* by non-technical consumers. Use writers and graphic artists to help present the information in a user-friendly way. The CCR should stand out from other "junk mail" or bill stuffers.

Practice makes perfect. The first CCR is not required to be published until mid-October 1999. While that date is fast approaching, there is time to design and publish a prototype CCR. This prototype can be reviewed by a focus group or distributed to a sample of the population. The responses and comments you receive can help you avoid problems in the future.

Choose an effective title. While the regulations call these "Consumer Confidence Reports" there is no requirement to use that name. Focus groups determined that the CCR moniker does not convey what the report is about. Call the report what it is – a water quality

report. Many of the CCR templates offer alternative titles.

Avoid panic: "dumb down" the numbers. Most laypeople do not deal with decimals, parts per billion and milligrams per liter on a daily basis. If you asked ten people which was larger, .472 or .69, more than half would guess incorrectly. Rounding numbers and using only one decimal place can help. Using simple tables or charts to compare levels is another way to help consumers understand what the numbers mean.

Use headlines. What's the bottom line? The CCR should announce that the water consumers drink is safe. Use a headline to summarize the report, but avoid too much emphatic language. Consumers still tend to distrust government agencies and anything that smacks of "public relations spin" will be suspect.

CONCLUSIONS

Consumer Confidence Reports provide a water supplier with an opportunity to create or build on an established relationship with its customers. Communicating regularly with customers helps them understand the commitment of the supplier and the importance of the service it provides. In turn, this understanding becomes support when rate increases are proposed or when incidents occur. A better informed public is an ally in the supplier's quest to provide safe, reliable drinking water in a cost-effective manner. CCRs are an opportunity for suppliers to do their job better.

SOURCES OF ADDITIONAL INFORMATION

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